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SUBJECT: MALI - GHFSI DIPLOMATIC STRATEGY

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¶1. (U) Embassy Bamako is pleased to submit its Global Hunger and Food Security Initiative (GHFSI) diplomatic strategy paper. Post has a robust plan to foster agricultural development. It coordinates closely with the Government of Mali (GOM) and international donor partners. We have identified several policy areas which could benefit from increased diplomatic engagement as well as opportunities to improve collaboration with third-country partner nations. The GHFSI diplomatic strategy addresses each of the five core principles individually.

#### A COMPREHENSIVE APPROACH TO FOOD SECURITY

¶2. (U) Advancing Agricultural-Led Growth: Embassy Bamako administers approximately USD 125 million annually to foster agricultural development. This includes funding by USAID, MCC, and other programs. The Alatona Irrigation Project is the largest component of the MCC compact and provides a catalyst for the transformation and commercialization of family farms. Alatona supports Mali's national development strategy objectives to increase the contribution of the rural sector to economic growth and help achieve national food security. The project focuses on large-scale water conveyance systems to provide improved irrigation to the Niger River Inner Delta, a principal and potentially much richer agricultural zone in Mali producing rice and other basic grains. This component further strengthens the capacity of the farmers to achieve food security through land titling, farm to market road upgrades, community infrastructure development, literacy, crop diversity and water management training.

¶3. (U) USAID has a broad program to advance agriculture-led growth. Its programs include increasing production of basic grains; improving animal husbandry and livestock management (including cattle, goats, sheep, and chickens); instructing rice producers on techniques to allow combined rice and aquaculture (fish) production; improving seed quality in collaboration with the Malian Ministry of Agriculture (MOA); teaching alternative irrigation techniques for semi-arid climates; training small- and mid-scale farmers in market development skills; coordinating with other USAID missions on development of regional trade corridors; and providing technical assistance to local financial institutions to develop financial products which better address the agricultural sector's needs. USAID-Mali is also exploring the possibility of improving secondary roads to assist rural farmers in getting their produce to market.

¶4. (U) Both USAID and MCC's programs address the needs of the ultra-poor and women in Mali. Over 70 percent of Malians depend on agriculture for their livelihood; the majority falls in the category of extreme poverty. Women are the primary small-scale farmers and generally manage family flocks of small ruminants (goats and sheep) and chickens, which are the activities Embassy Bamako's programs most directly target. Post is also working with the Malian Ministry for the Advancement of Women and Children (MAWC) to integrate MAWC programs into the GOM's broader agricultural development strategy.

¶5. (U) Two main policy issues have the potential to hinder the effectiveness of Post's programs: land titling and application of

trade policy. Land titling in Mali is not particularly troublesome except in the agricultural sector where it is highly politicized and often inaccessible to women. Legal land titling also runs into complex traditional land rights claims. Post has the intention of integrating land title assistance into its agricultural programs and is feeling out opportunities for coordination with other donor partners.

¶16. (U) To support the development of regional trade corridors, the Embassy Political/Economic Section (Pol/Econ) will work with USAID to identify West African Economic and Monetary Union (WAEMU) internal tariff reductions t@rJgS~!2| the Malian Ministries of Commerce and Finance. A lack of transparency in the application of customs rules and duties across borders in West Africa hinders the development of regional markets. Post will continue to work closely with Embassy Dakar on this issue as well as bring it to the attention of the Malian Ministries of Commerce and Finance. Additionally, during the food security scare of 2007-2008, many countries closed their borders to exports in attempts to lower prices on agricultural products; this harms producers, who cannot sell their production at prevailing market prices, as well as encourages the development of black markets. In the event of price spikes at the local, regional, and/or international level, Post will be proactive in encouraging the GOM to keep its borders open for exports of local agricultural products.

¶17. (U) Under-nutrition: Post currently works on medical under-nutrition through USAID's health programs. Regarding general under-nutrition, USAID currently has a flour enrichment program with Grands Moulins du Mali - the largest flour mill in Mali. USAID is currently investigating the possibilities of further fortification programs as well as consumer education campaigns on nutritional health.

¶18. (U) Humanitarian Assistance: Post currently provides humanitarian assistance through PL480 Food for Peace funds. USAID is currently working to integrate health components and agricultural technical assistance into its PL480 programs to better leverage the opportunities to work with the ultra-poor.

#### INVESTING IN COUNTRY-LED PLANS

¶19. (U) USAID and the European Union Mission to Mali worked closely with the MOA to develop Mali's Comprehensive Africa Agriculture Development Program (CAADP) strategy, which outlines Mali's agricultural development needs and strategy and which Mali signed in November 2009. The CAADP strategy was partially coordinated through the multilateral Technical and Financial Partners (PTF) Group on Agriculture, currently led by the UN Food and Agriculture Organization Resident Representative (FAO ResRep) to Mali. A follow-up meeting on CAADP implementation, including the participation of international donors and the Ministries of Agriculture and Integration, will take place in May/June 2010.

¶110. (SBU) The PTF group on Agriculture is facing a serious leadership crisis. The FAO ResRep has not called a meeting of the PTF in over three months. Two partner nations have asked USAID to take responsibility of the PTF when the leadership rotates this year. USAID's ability to exercise a stronger leadership role in the PTF entirely depends on planned staffing increases in the USAID-Mali Accelerated Economic Growth program.

¶111. (U) On a bilateral basis, USAID is coordinating closely with the MOA. In particular, USAID has developed a strong relationship with the Statistics and Planning Department of the MOA. Pol/Econ will follow up with the Ministry of Finance to ensure the GOM holds to its commitment to spend 10 percent of its national budget on agricultural development.

#### STRATEGIC COORDINATION AND LEVERAGING THE MULTILATERALS

¶112. (SBU) Strategic Coordination: As mentioned above, Post has been active in coordinating with donor partners through the PTF group on agriculture. As soon as USAID has the necessary staff to take a leadership role in the group, it intends to do so. Post also intends to reach out to other development partners, such as the Japanese (who have a rice marketing strategy that is not coordinated with other donors), to bring them into the coordination process.

¶13. (U) Leveraging the benefits of Multilateral Institutions: Embassy Bamako has actively supported the World Bank's Investment Climate Assessment (ICA) program in Mali. This program aims to improve the business climate in Mali to promote private sector development. Post is also looking into additional ways of increasing cooperation with the World Bank.

DELIVERING ON A SUSTAINED AND ACCOUNTABLE COMMITMENT

¶14. (U) Post is currently taking advantage of the six-month period between Mali's signing of its CAADP strategy and the follow-up meeting in May/June 2010 to gather information which will fill analytical gaps on nutrition, adult literacy, climate change, and secondary road development. By maintaining close contact with key donor partners (e.g. the Dutch and the Japanese) and with the MOA, Post will attempt to keep the GOM on track to complete its commitments in its CAADP strategy.